

HOUSE BILL No. 5688

April 26, 1990, Introduced by Reps. Alley, Bartnik, Middaugh and DeMars and referred to the Committee on Public Health.

A bill to amend section 258 of Act No. 230 of the Public Acts of 1987, entitled as amended
"County health facilities corporations act,"
as added by Act No. 502 of the Public Acts of 1988, being section 331.1258 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 258 of Act No. 230 of the Public Acts of
2 1987, as added by Act No. 502 of the Public Acts of 1988, being
3 section 331.1258 of the Michigan Compiled Laws, is amended to
4 read as follows:

5 Sec. 258. (1) Each board of trustees and subsidiary board
6 of a corporation incorporated by a city or village shall consist
7 of not fewer than 5 ~~nor~~ OR more than 15 trustees. The exact
8 number of trustees and the length of their terms of office shall
9 be as specified in the articles of incorporation. Except for the

1 initial appointments to boards of trustees and subsidiary boards
2 of ~~new~~ NEWLY incorporated corporations and subsidiary corpora-
3 tions, terms of office ~~shall~~ begin on January 1. Terms of
4 office shall be staggered so that an approximately equal number
5 of terms expire at the end of each year or each 2 years, except
6 that terms may be fixed so that the shortest terms do not expire
7 until the end of the second year following the incorporation of a
8 corporation or a subsidiary corporation. Notwithstanding ANY
9 OTHER PROVISION OF this subsection, ~~all~~ trustees shall serve
10 until their successors are appointed.

11 (2) Upon incorporation of a corporation or subsidiary corpo-
12 ration by a city or village pursuant to this act, the city coun-
13 cil or village council shall appoint trustees to all positions on
14 the board of trustees. The terms of office of trustees serving
15 on the board of a city public hospital or village public hospital
16 before incorporation under this act shall not be diminished,
17 except that the adopted articles may prospectively establish new
18 lengths of terms of office for the board of trustees, and may
19 prospectively alter the board size. Upon incorporation of a sub-
20 sidiary corporation, and during the September preceding the expi-
21 ration of all terms of office of trustees of corporations and
22 subsidiary corporations, the board of trustees of the corporation
23 or parent corporation shall submit to the city council or village
24 council the names of 3 qualified nominees for each new or expir-
25 ing term, other than the term of the chief executive officer on
26 the board of trustees, if the chief executive officer of the
27 corporation serves as a member of the board of trustees. The

1 city council or village council, at a meeting in that or the
2 following month, shall consider the nominations and shall make
3 ~~such~~ appointments for the board of trustees or subsidiary board
4 from among the persons nominated as considered appropriate by the
5 city council or village council. The city council or village
6 council ~~shall not be~~ IS NOT required to fill a position with 1
7 of the 3 persons nominated, but if the city council or village
8 council declines to do so, it shall request that the board of
9 trustees provide the city council or village council with 3 addi-
10 tional nominees for the position within 30 days, and shall con-
11 tinue to ~~do so~~ CONSIDER NOMINEES AND REQUEST ADDITIONAL NOMI-
12 NEES IN THE MANNER PROVIDED IN THIS SUBSECTION until the position
13 is filled.

14 (3) ~~All trustees~~ TRUSTEES shall be chosen ~~from among the~~
15 ~~citizens at large of the city or village~~ with reference to their
16 fitness ~~to such~~ FOR THE office, but not more than 1/3 of the
17 trustees serving at any time shall be direct providers of health
18 care. Trustees of the parent corporation, including its chief
19 executive officer, and the chief executive officer of a subsid-
20 iary corporation ~~shall be~~ ARE eligible for appointment to a
21 subsidiary board, and ~~such~~ THESE offices ~~shall~~ ARE not ~~be~~
22 ~~considered to be~~ incompatible. Trustees ~~shall be~~ ARE eligible
23 for reappointment.

24 (4) Before the ~~10th~~ TENTH day after commencement of their
25 term of office, trustees shall qualify by taking the oath ~~of~~
26 ~~civil officers~~ PROVIDED BY SECTION 1 OF ARTICLE XI OF THE STATE
27 CONSTITUTION OF 1963.

1 (5) ~~Any~~ A trustee of a corporation incorporated by a city
2 or village may be removed from office for cause either by vote of
3 a majority of the members then serving on the city council or
4 village council or by vote of a majority of the members then
5 serving on the board of trustees of the corporation. ~~Any~~
6 ~~trustees~~ A TRUSTEE of a subsidiary corporation may be removed
7 from office for cause either by vote of a majority of the members
8 then serving on the city council or village council or by vote of
9 a majority of the members then serving on the board of trustees
10 of the parent corporation. As used in this subsection, "cause"
11 includes, but is not limited to, incompetency to properly exer-
12 cise duties; official misconduct; or habitual or willful neglect
13 of duty, including, but not limited to, failure to attend meet-
14 ings, including committee meetings, in accordance with standards
15 determined ~~from time to time~~ by the board of trustees of the
16 corporation or subsidiary board.

17 (6) A trustee shall not be removed from office on grounds of
18 misconduct or neglect unless the trustee ~~has first been~~ IS
19 served with a notice of hearing and a copy of the asserted ground
20 for removal, and is given full opportunity to be heard, either in
21 person or by counsel, before a vote is taken on the question of
22 removal from office.